

³H.R. 1000 authorizes such sums as necessary for the FAA operations account and for the facilities and equipment account for fiscal year 2000. The table reflects a level for 2000 equal to the amounts provided in 1999—that is, without any adjustment for anticipated inflation. Alternatively, if the 1999 level is increased to adjust for inflation, the 2000 level would be \$300 million higher, resulting in \$300 million more in outlays over the 2000–2004 period.

⁴Budget authority for AIP is provided as contract authority, a mandatory form of budget authority; however, outlays from AIP contract authority are subject to obligation limitations contained in appropriation acts and are therefore discretionary. CBO's baseline projections assume a full year budget authority will be provided for AIP for fiscal year 1999 and each subsequent year. The full-year total is 1.2 times the \$2,050 million provided through August 6, 1999.

The preceding table excludes the potential effects of title X, which would provide for adjustments to AIP funding, beginning in fiscal year 2001. The annual adjustments would be derived by comparing the amounts authorized for FAA operations, facilities and equipment, and research and development, and the amounts provided in appropriations acts for

those purposes. If appropriations equal the authorized amounts, then there would be no adjustment in AIP contract authority. Any adjustment would constitute new direct spending authority because it would be triggered by title X; however, all outlays for AIP would still be subject to obligation limitations established in appropriation acts. De-

pending on the appropriation actions, this provision could result in additional AIP contract authority of up to \$40 billion over the 2001–2004 period, as shown in the following table. (The maximum contract authority would result if no appropriations were provided for the accounts in question.)

	By fiscal year, in millions of dollars—					
	1999	2000	2001	2002	2003	2004
CHANGES IN DIRECT SPENDING—TITLE X ¹						
Estimate Budget Authority	0	0	8,950	9,886	10,357	10,868
Estimate Outlays	0	0	0	0	0	0

¹ The amounts shown are potential additions to AIP contract authority attributable to section 1001 of title X.

Basis of estimate: Implementing H.R. 1000 would affect spending subject to appropriation, direct spending, and revenues. Estimates of outlays are based on historical spending patterns for the affected programs and on information provided by DOT and FAA staff.

Spending subject to appropriation

For purposes of this estimate, CBO assumes that H.R. 1000 will be enacted before the start of fiscal year 2000, and that the amounts authorized for aviation programs will be appropriated for each fiscal year.

FAA Operations. H.R. 1000 would authorize the appropriation of such sums as necessary for FAA operations for fiscal year 2000. The bill also provides that funds, appropriated for FAA operations in fiscal year 2000 may be used for a number of new activities, including \$2 FAA operations in fiscal year 2000 may be used for a number of new activities, including \$2 million to eliminate a backlog of equal opportunity complaints at DOT, up to \$1.5 million to study the use of recycled materials in aviation pavement, and up to \$1.5 million to obtain contractual audit services to complete the Inspector General's report on the FAA's costs and cost allocations. In total, we estimate that the additional activities would require appropriations of \$5 million for 2000. For fiscal years 2001 through 2004, the bill would authorize specific annual amounts totaling \$28,553 million.

In the absence of specific authorizations for FAA operations in 2000, CBO estimates the amounts of the 2000 authorization based on the 1999 funding levels, with and without adjustments for inflation. The FAA received an appropriation of \$5,567 million for operations in 1999. If that level is not adjusted for inflation between 1999 and 2000, CBO estimates that the funding level for fiscal year 2000 would be \$5,572 million (including an additional \$5 million for the new activities cited above). CBO estimates that appropriation of that amount in 2000 and the authorized levels specified in the bill for 2001 through 2004 would result in additional outlays for FAA operations totaling \$33.3 billion over the 2000–2004 period (excluding outlays from amounts appropriated in 1999 and prior years). Alternatively, if the Congress increased funding for operations in 2000 to account for inflation, we estimate that the funding level for that year would be \$5,825 million. Combining that amount with the specified authorizations for 2001 through 2004 would yield additional outlays of \$33.5 billion for FAA operations over the 2000–2004 period.

H.R. 1000 also provides that funds appropriated for FAA operations may be used for certain activities and programs beginning in fiscal year 2001. Assuming that the Congress appropriates the amounts authorized in the bill for FAA operations for the years 2001

through 2004, we expect that earmarking amounts for the programs described below would not have any significant impact on outlays for FAA operations.

Section 211 would establish a program to provide commuter air carriers with federal loans, loan guarantees, or lines of credit for the purchase of regional jet aircraft. The program is designed to improve service by jet aircraft to smaller airports and to markets that the Secretary of Transportation determines have insufficient air service. Section 212 provides that, from appropriations for FAA operations for each of fiscal years 2001 through 2004, such sums as necessary may be used to carry out the program, including administrative expenses. The Federal Credit Reform Act of 1990 requires appropriation of the subsidy costs and administrative costs for credit programs. The subsidy cost is the estimated long-term cost to the government of a direct loan or loan guarantee, calculated on a net present value basis and excluding administrative costs. Based on information from the FAA, CBO estimates that the subsidy appropriation necessary to implement this program would total about \$80 million over the 2001–2004 period, and that outlays for this program would be \$60 million over the five-year period. CBO estimates that administering the credit program would cost about \$11 million over the 2001–2004 period. The bill would permit the Secretary to charge fees to cover all costs to the federal government of making such loans and would allow the Secretary to spend the fee receipts generated to administer the program. For purposes of this estimate, we assume the Secretary would not charge any fees.

Section 202 provides that, of amounts appropriated for FAA operations beginning in fiscal year 2001, up to \$15 million each year may be used to subsidize air carrier service to airports not receiving sufficient service as determined by the Secretary of Transportation. Such amounts would be in addition to the spending authorized under current law for the EAS program. CBO estimates that implementing this section would result in outlays of \$54 million over the 2001–2004 period from the operations account, assuming appropriation of the necessary amounts.

Section 131 would direct the Secretary of Transportation to establish a pilot program to contract for air traffic control services at certain towers that do not qualify for the current contract tower program. The pilot program would include a federal contribution to the costs of constructing control towers at up to two facilities. The section provides that, of the amounts appropriated for FAA operations beginning in fiscal year 2000, up to \$6 million may be used each year for the pilot program. Because \$6 million was earmarked for cost sharing for contract tow-

ers in the fiscal year 1999 appropriation for FAA operations, we estimate that enacting section 131 would not affect the outlay rate.

FAA Air Navigation Facilities and Equipment. H.R. 1000 would authorize the appropriation of such sums as necessary for air navigation facilities and equipment (F&E) in fiscal year 2000 and specified amounts for fiscal years 2001 through 2004.

FAA received an appropriation of \$2,000 million for F&E in 1999 (excluding \$87 million that was provided in a separate appropriation specifically for addressing year 2000 computer problems). CBO estimates that appropriation of that amount in 2000 and the authorized levels specified in the bill for 2001 through 2004 would result in additional outlays for F&E totaling \$10.3 billion over the 2000–2004 period (excluding outlays from amounts appropriated in 1999 and prior years). Alternatively, if the Congress increased F&E funding in 2000 to account for inflation, the estimated funding level for that year would be \$2,047 million. Combining that amount with the specified authorizations for 2001 through 2004 would yield additional outlays of \$10.4 billion for F&E over the 2000–2004 period.

FAA Airport Improvement Program. Title I would provide \$2,410 million in contract authority (a mandatory form of budget authority) for the airport improvement program for 1999 and a total of \$19,175 million in contract authority over the 2000–2004 period, as discussed below in the section on direct spending. That amount represents \$7,125 million in contract authority above the amount assumed in CBO's March 1999 baseline. For purposes of this estimate, we assume that the obligation limitations for AIP contained in annual appropriation acts for fiscal years 2000 through 2004 would equal the amounts of contract authority that would be provided in this bill.

Other Provisions. Based on the current costs of operating a whistleblower protection program at the Department of Energy, CBO estimates that the administrative costs of operating the new DOL program provided in section 601 would be less than \$1 million a year.

Based on information from the NPS and the FAA, CBO estimates that discretionary outlays to conduct planning and rulemaking for park overflights, complete air tour management plans (including environmental analyses), and monitor any overflight limits established in such plans would total \$29 million over the 2000–2009 period. This process is already underway, and we expect that these costs will be incurred within the next 10 years under current law, assuming appropriation of the estimated amounts. CBO estimates that the provisions of title VIII dealing with park overflights would cause no significant change in FAA or NPS spending